ESTTA Tracking number: **ESTTA766557**

Filing date: **08/24/2016**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91228282
Party	Defendant International Business Machines Corporationion
Correspondence Address	LEONORA HOICKA INTERNATIONAL BUSINESS MACHINES CORP N CASTLE DR INTELLECTUAL PROPERTY ARMONK, NY 10504 ibmtm@us.ibm.com
Submission	Other Motions/Papers
Filer's Name	Barbara A. Solomon
Filer's e-mail	bsolomon@fzlz.com, jjones@fzlz.com, ykarzoan@fzlz.com
Signature	/Barbara A. Solomon/
Date	08/24/2016
Attachments	Motion to Set Aside Notice of Default.pdf(2630919 bytes)

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Application Serial No. 86/327,828
for the Mark INTERCONNECT

EQUIFAX INC. Opposer, -against- INTERNATIONAL BUSINESS MACHINES CORPORATION, Applicant.	:	Opposition No. 91/228282

MOTION TO SET ASIDE NOTICE OF DEFAULT

Applicant International Business Machines Corporation, with the consent of Opposer (as shown in the separately filed Joint Motion), hereby responds to the Trademark Trial and Appeal Board's Order to Show Cause why a default should not be entered and further moves for a suspension of the Opposition and for an extension of time to answer in order for the Board to approve the Parties' contemporaneously submitted Joint Motion and to approve of the post-publication amendment and conditional stipulation of withdrawal of the Opposition without prejudice. A copy of the Joint Motion is attached as **Exhibit A**.

I. Procedural History

This Opposition was commenced on June 6, 2016 with the filing of the Notice of Opposition. After the Notice of Opposition was filed, the opposition proceeding was instituted. Under the Scheduling Order, the due date for Applicant's answer to the Opposition was July 16, 2016.

Once the Opposition was filed, the Parties began discussing an amicable resolution of the dispute. Towards that end, the Parties entered into a Coexistence Agreement on August 2, 2016. That Agreement allows for the opposed application to proceed to registration provided that certain of the services in Class 35 are deleted from the opposed mark. Because the Parties were working toward settlement, the answer deadline was inadvertently overlooked.

On July 26, 2016, the Trademark Trial and Appeal Board (the "TTAB") issued an Order to Show Cause why judgment by default should not be entered against Applicant. If such a Judgment were entered it would result in the refusal of registration of the INTERCONNECT mark to IBM and in a judgment in favor of Opposer. Such a result is inconsistent with the settlement reached by the Parties. For this reason good cause exists to set aside the Notice of Default, namely to ensure that the Parties' intent is preserved.

II. Argument

Rule 55(c) of the Federal Rules of Civil Procedure states that "[f]or good cause shown, the court may set aside an entry of default." The Board's policy in determining whether to set aside a default is set forth in Trademark Trial and Appeal Board Manual of Procedure ("TBMP") § 312.02 (3d ed. 2013):

> Good cause why default judgment should not be entered against a Defendant, for failure to file a timely answer to the Complaint, is usually found when the Defendant shows that (1) the delay in filing an answer was not the result of willful or gross neglect on the part of the defendant, (2) the plaintiff will not be substantially prejudiced by the delay, and (3) the defendant has a meritorious defense to the action. The showing of a meritorious defense does not require an evaluation of the merits of the case. All that is required is a plausible response to the allegations in the Complaint.

In exercising its discretion as to whether default should be entered, the TBMP further notes that "it is the policy of the law to decide cases on their merits. Accordingly, the Board is very reluctant to enter a default judgment for failure to file a timely answer, and tends to resolve

any doubt in the matter in favor of the defendant." *Id.* In this case, there is no willful conduct or gross neglect, there is no substantial prejudice if Applicant is allowed to file an answer, and in fact Opposer consents to this motion, and there is an existence of a meritorious defense.

A. No Willful Conduct or Gross Neglect

The failure to file a timely answer was not the result of willful conduct or gross neglect, but was due to the Parties' focus on settlement. *Fred Hayman Beverly Hills v. Jacques Bernier Inc.*, 21 U.S.P.Q.2d 1556, 1556 (T.T.A.B. 1991) (holding that failure to timely file answer due to inadvertence did not constitute willful conduct or gross neglect).

B. No Substantial Prejudice to Opposer

Opposer has consented to Applicant's request to lift the notice of default so as to allow the Parties' agreement to be realized. As Opposer does not seek to hold Applicant in default, there is no prejudice, no less substantial prejudice, to Opposer. *See Doustout v. G.D. Searle & Co.*, 680 F. Supp. 49, 51 (D. Me. 1988) (finding no prejudice to plaintiff where plaintiff consented to motion to set aside default).

Further, a Judgment on default is inconsistent with the resolution reached by the Parties. Lifting of the order to show cause and entry of the post-publication amendment will preserve the Parties' rights under the Coexistence Agreement.

C. A Meritorious Defense to the Action Exists

Under the circumstances presented here, there is no need for Applicant to establish a meritorious defense, as the Parties have resolved their dispute amicably through a post-publication amendment.[1]

[1] In any event, Applicant could establish such a defense due to the fact that its business is wholly distinct from that of Opposer and therefore its goods, services and consumers would be distinct as well. As a result there would be no likelihood of confusion.

III. Conclusion

Based on the above, it is evident that there is good cause for lifting the notice of default and for the TTAB to further grant the Parties' Joint Motion.

Dated: New York, New York
August 24, 2016

INTERNATIONAL BUSINESS MACHINES CORPORATION
by its counsel
FROSS ZELNICK LEHRMAN & ZISSU, P.C.

By: _____
Barbara Solomon (bsolomon@fzlz.com)
866 United Nations Plaza
New York, New York 10017
Tel: (212) 813-5900
Fax: (212) 813-5901
Attorneys for Applicant

EXHIBIT A

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

In the Matter of Application Serial No. 86/327,828
for the Mark INTERCONNECT

EQUIFAX INC.	:	
Opposer,	:	
-against-	:	Opposition No. 91/228282
INTERNATIONAL BUSINESS MACHINES CORPORATION,	:	
Applicant.	:	

JOINT MOTION (a) TO SET ASIDE NOTICE OF DEFAULT; (b) TO PERMIT POST-PUBLICATION AMENDMENT; (c) TO SUSPEND OPPOSITION; and (d) FOR CONDITIONAL DISMISSAL OF OPPOSITION WITHOUT PREJUDICE

WHEREAS Opposer Equifax Inc. ("Equifax") and Applicant International Business Machines Corporation ("IBM" and, together with Equifax the "Parties") entered into a Coexistence Agreement effective August 2, 2016 (the "Agreement") which Agreement is intended to resolve the opposition; and

WHEREAS pursuant to the terms of the Agreement, IBM has agreed to amend the description of services in the opposed application with the consent of Equifax and Equifax has agreed to withdraw the opposition without prejudice with the consent of IBM;

NOW THEREFORE in order to carry out the terms of the Agreement reached between the Parties and to effectuate the Parties' intent as set forth in the Agreement the Parties jointly move the Trademark Trial and Appeal Board as follows:

1. The Parties move to set aside the notice of default against Applicant. The failure of IBM to file a timely answer is not due to willful conduct or to gross neglect; there is no prejudice to Applicant if the default is set aside, and setting aside the default is necessary to carry out the intent of the Parties as set out in the Agreement. As such, good cause exists to set aside the notice of default.

2. Applicant, with Opposer's consent, moves to amend by post-publication amendment the identification of certain services in Applicant's pending application to register INTERCONNECT, Application S.N. 86/327,828, which is the subject of the above-identified opposition. Specifically, Applicant, requests the following amendment to the services listed in Application S.N. 86/327,828:

> Class 35: ~~Business management consulting services and business consulting services; business development services; market research; data processing services; a~~Arranging and conducting trade show exhibitions; all of the foregoing in the field of computers, computer software, computer services, information technology and electronic business transactions via a global computer network

As amended the Class 35 services would read:

> Class 35: Arranging and conducting trade show exhibitions; all of the foregoing in the field of computers, computer software, computer services, information technology and electronic business transactions via a global computer network

For the avoidance of doubt, no change is requested to the identification of services in International Classes 16 and 41.

Because the proposed amendment clarifies and limits the services in Class 35, no re-publication would be required and it is permissible pursuant to TMEP 1505.03(b) and TBMP 514.02.

3. The Parties jointly move to both extend Applicant's time to answer the opposition and to suspend these proceedings pending review and acceptance of the proposed amendment.

4. The Parties jointly move that upon the approval and entry of the above-proposed amendment to Application S.N. 86/327,828, the Opposition be dismissed without prejudice and without entry of judgment for or against either Party.

Dated: Atlanta, GA
August 24, 2016

EQUIFAX INC.

By: _____
Elizabeth Lester (elizabeth.lester@equifax.com)
1550 Peachtree St. NW
Atlanta, GA 30309

Dated: New York, NY
August 24, 2016

INTERNATIONAL BUSINESS MACHINES CORPORATION
by its counsel
FROSS ZELNICK LEHRMAN & ZISSU, P.C.

By: _____
Barbara Solomon (bsolomon@fzlz.com)
866 United Nations Plaza
New York, New York 10017
Tel: (212) 813-5900
Fax: (212) 813-5901
Attorneys for Applicant

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing **MOTION TO SET ASIDE NOTICE OF DEFAULT** was served by First Class Mail, postage prepaid, on Opposer by serving a copy of the same on Opposer's counsel:

Elizabeth Lester, Esq.
Equifax Inc.
1550 Peachtree St. NW
Atlanta, GA 30309

on this 24th day of August 2016.

Barbara A. Solomon